


ADDRESS
TO THE
Chamber of Commerce
of the
United States of America
by
HOWARD ELLIOTT
Chairman of the Board and President
of
THE NEW YORK, NEW HAVEN AND HARTFORD
RAILROAD COMPANY.



NEW WILLARD HOTEL, WASHINGTON, D. C.
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All thinking people agree that the United States should have good railways, well equipped with sufficient facilities to do the total business of the great population with safety and despatch.

Nearly all agree that the railways should increase their capacity to furnish transportation as fast as the population increases, if not faster.

In other words, it is to the interest of the public that the railways be "ready to serve" at all times and able in times of emergency to carry the "peak load." This is not the case to-day, and the fact that it is not is a serious menace to the present and future welfare of the United States.

To-day there are 100,000,000 people in the land who must be fed, clothed, sheltered, kept warm and many of whom travel for health, pleasure and business. The railway systems are in many places overtaxed in doing this work.

What will be the conditions when there are 150,000,000 people to be served? That time is not far off, either measured in the life of the nation, or by the time and energy that must be spent in increasing the capacity of the railway plant to turn out the necessary transportation.

This means an addition of at least 50 per cent. to the number of tons of freight moved one mile and the number of passengers moved one mile. It means that the railways must be not only well and strong with their present facilities, but also that they must be nourished and their energies and powers conserved and increased.

In olden times there was a system in the practice of medicine known as "blood letting." It was prevalent for many hundreds of years. It was warranted to cure all the ills to which human flesh is heir, including: Apoplexy, bruises, consumption, convulsions, cramp, delirium, giddiness, inflammation, intoxication, lunacy,

numbness of the limbs, and what not. At one time it was customary for the physicians to bleed their patients regularly twice a year—in the Spring and in the Fall. The richer the patient the more frequent the blood letting. The operation often caused the patient to faint; in many cases it resulted in great weakness, and often in death.

Some critics, hostile and otherwise, have pointed out that the railways have suffered from serious difficulties which may be likened to these human ills and for years the people, by means of various regulatory measures, have been trying to cure the patient. A very large number of these measures, conceived no doubt for the most part in an honest but sometimes misguided effort to improve conditions, have taken the form of “blood letting,” not only in the Spring and Fall, but all the time. A taking away in one form or another of the sustenance needed by the railways—a course of treatment which weakens the transportation system of the country, and if continued much longer, will, in many cases, end in economic dissolution or bankruptcy. This, of course, does harm not only to the unfortunate holders of the railway securities who have invested their money in good faith, but what is even more important, it injures the millions who need adequate transportation in order to carry on their daily work.

Some critics say that the Malady of the Railways is due entirely to early mistakes on the part of transportation agencies and that they must now suffer. This policy might be all right if the damage to the country was not far greater than the damage to the security holders.

United States In spite of errors made in the work of
Railways creating the United States railways, they
Greatest in the stand to-day as the greatest evidence of
World. constructive work in the world, and even
with their early faults and present failures
they are the wonder of the world as to their construction
cost, their total service to the public, their high wages,
and their low rates.

Men like you, representing the commerce of the United States, should not let the penny of error in the railway life of the country blind you to the dollar of accomplishment, without which the nation would not be what it is and we would not be holding this meeting to-night.

Mr. E. E. Clark, one of the Interstate Commerce Commissioners, said in a speech a few years ago:

“Even if it be true that the present financial condition of transportation agencies is due to reckless, improvident, or even dishonest financing in the past, it would be a mistake to undertake to correct it by a policy of reprisal which will impair the usefulness or efficiency of the carriers upon which the welfare—the very life—of the commerce of the country depends. That commerce grows continually, and we have seen, each year, periods during which the available facilities were sadly lacking in capacity and efficiency to properly furnish the transportation demanded.

“This is in part due to the failure of carriers to provide themselves with facilities, in part to inefficient handling and movement of equipment, in part to failure of shippers and receivers to provide room and facilities of their own sufficient for their needs, and in part to customs that have grown up in some lines of business that necessarily cause serious delay to cars and congestion of terminals. Of course, the ideal situation would be one in which the carriers were ready to provide all the equipment needed and promptly transport all the traffic offered at the time of the maximum demand, but that situation can be attained only by large additions to the facilities and great improvement in methods. The added facilities can be secured only through expenditures from surplus earnings or from expansion of credit. In either way the total cost to purchasers of transportation

would be increased. It seems to me that no more helpful work can be done than to bring about the highest possible degree of efficiency in the operation and utilization of the facilities now possessed."

Accepting all of the Commissioner's criticisms as to the past, it is the present and the future which confront us. Let the dead past be buried. The country must go on. The railways must be prepared to serve an ever-increasing population.

It is my good fortune to know a large number of the directors and officers of the railways in the United States and also a great many men in the ranks. I firmly believe that the great majority of them are as loyal, as patriotic and as high-minded men as any in every walk of life, and they are anxious to do their whole duty to the railways and the public they serve. Give them a fair show. To condemn railways as a whole because of the errors of a few is foolish, and to prevent their proper development is unwise, and dangerous for the future welfare of the country.

Less Mileage Constructed. Whatever the reasons for the present Malady of the Railways, two facts stand out prominently in the history of the railways of the United States for the year 1915. One is that less mileage was built in that year than in any year since 1864. There have been only three years since 1848 when there was a smaller mileage of new railway constructed than in 1915. The other fact has to do with the amount of railway mileage in the hands of receivers in 1915. With only one exception, 1893, was the mileage that passed into the hands of receivers larger than last year; and 1893 was a panic year.

Epidemic of Receivers. There was a total mileage of 41,988 in the hands of receivers in 1915, the total capitalization of which was \$2,354,900,301. In that year alone 20,143 miles of road went into the hands

of receivers and these roads had a total capitalization of \$1,070,808,628. This compares with 4,222 miles in 1914 with a total capitalization of \$199,571,446 in receivers' hands. This is not a healthy condition; it is a malady that affects directly and indirectly everyone in the country.

Millions
Interested in
Railways.

Let me call to your attention the millions of people directly interested in the railways. Railways do not belong to a few rich men or bankers. They are not the personal property of the officials. The directors do not own them—directors are the trustees and servants of stockholders.

There are at least 1,500,000 owners of the securities of these American railways. It is fair to assume that dependent upon these owners are four persons and in that case this would mean 6,000,000 people.

There are 1,800,000 men, approximately, employed in the railway service, and if you allow five persons to be depending upon each, that would mean 9,000,000. There are at least 1,000,000 workers in industrial plants directly dependent upon railway operation—such as coal mines, rail mills, car shops and so on. They represent another 5,000,000 people.

Thus you have about 20,000,000 people out of a total population of 100,000,000 who depend very largely for their daily bread and butter upon having this great piece of transportation machinery prosperous. But there are a great many others who are interested. The insurance companies have \$1,500,000,000 invested in railway securities, representing 30,000,000 policy holders; the savings banks of the country have \$800,000,000 invested in railway securities, and there are about 11,000,000 depositors in these savings banks. So, there are 41,000,000 additional people who are vitally interested, either as holders of insurance policies or depositors in savings banks, in the success of this great piece of machinery. When, therefore, you speak of the number of our citizens

directly interested in the railways, you really are speaking of at least 61,000,000—the 20,000,000 I mentioned, that are personally interested, because they work for the railways or for some collateral branch of the industry, and of those who own the securities, and of the 41,000,000 interested in the investments of insurance companies and savings banks. It is well to remember this momentous fact in considering this very difficult transportation problem.

Reduced Investment in Railway Bonds The practice of insurance companies and banks is the highest evidence of investment value. They put the money that they hold behind their opinions; and without this money there is scant picking in the money market for those who need cash. For that reason exceptional interest attaches to the investment standards revealed in a recent statement of the banks of the United States. According to the report of the Comptroller of the Currency the investments of 27,000 banks in railway securities during last year increased 1.73 per cent. That is the smallest increase for any class of security, national bonds excepted. The favored investment was public utility bonds, which increased 13.70 per cent. The largest increase in total was in State, city and municipal bonds, but their percentage of increase was only 10.31 per cent. Savings banks added \$55,000,000 of public utility bonds; and reduced their holding of railway bonds by \$20,000,000.

Anxiety for the Future. Many thoughtful men in the United States are filled with anxiety over the future, now that this country, whether it wishes to or not, is being forced into the position of a world power and compelled to take its part in international affairs to a greater extent than ever before.

It appears to be harder and harder to follow Washington's advice "to beware of entangling alliances." As a natural consequence "Preparedness" is discussed on all sides. There are several kinds of "Preparedness."

All of our industries must be prepared—our young men must be prepared—labor must be prepared—capital must be prepared—our army and navy must be prepared, the government itself must be prepared—and, last but not least, our railways must be prepared.

In a time of profound peace in this country, the railways are congested and cannot carry satisfactorily the total load. What could they do in their present condition if the added burden of war were thrown upon them? Many industries would have to stop because the railway's first duty would be to handle the men and material incident to war.

Railway preparedness is, therefore, a vital "sine qua non" for adequate National Preparedness.

Need of Capital.	The serious freight congestion of 1906-1907 and the recent one emphasize the fact that the railways have a very small "factor of safety" with which to meet the strain of a sudden and increased load.
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It is difficult to estimate how much money will be necessary to bring the railways of the United States up to the point of efficiency demanded by the business of the country, but it is likely to be more than any of the estimates yet made. An interesting and instructive report upon this subject was made in 1912 by the Committee on Internal Trade and Improvements of the New York State Chamber of Commerce, of which Mr. Samuel W. Fairchild was, and is now, Chairman. This report stated in part:

"It is estimated that it will require in the next five years, to maintain railroad facilities equal to the enormous traffic of the country, the immense sum of \$8,500,000,000. Some idea of the magnitude of this sum may be had from the fact that it is eight times the national debt, it is more than two

and a half times the amount of money in circulation, it is equal to all the deposits in the national and State banks, and nearly equal to the entire money value of all the farm products of the country in one year. It is over three times the annual gross revenue of the railroads, and it amounts to nearly one-half of the existing railway capital represented by stocks and bonds.

“The question of obtaining the \$8,500,000,000 necessary to make railroad facilities equal to the expanding traffic of the country during the next five years therefore constitutes the most important problem now confronting business men.”

Mr. Fairchild estimated that \$1,700,000,000 a year would be needed.

Billions Poured In the seven year period ending June 30, into the 1907, about \$4,500,000,000 was spent, or at Railways. the rate of about \$650,000,000 a year. Mr. Fairchild's estimate was more nearly correct as the facilities are not now adequate.

In order to attract capital an undertaking must appeal to those who have capital to invest. Probably the most important factor in the investment of money in railway securities is the item known as net operating income, for out of this must come the return paid upon invested capital. The net operating income of the railways of the country for the year ending June 30, 1914, was \$849,122,647. This was \$8,550,000 more than was reported in 1907. In the meantime, the \$4,500,000,000 of new money had been expended by the railways, and yet after that expenditure of \$4,500,000,000 on new facilities, the net operating income increased but \$8,550,000. This represents a return of less than two-tenths of one per cent. Road and equipment had been increased by 25 per cent. Net revenue had increased about one per cent.

**Decrease in
New
Equipment.** These billions were invested in the hope, so completely disappointed by the fact, that the additions to plant would earn a return. The result, naturally, has been to discourage additions and betterments. In the calendar year just ended, the freight cars built were the fewest since 1904 with the single exception of 1911; the passenger cars the smallest since 1902 except 1908; the locomotives the smallest since 1898; the construction of new miles of first track about 65 per cent. of the smallest since 1893. It is the persistency of this trend that has attracted attention. Large tonnage and large gross earnings have not blinded the investor to the underlying financial problem, and he has placed his funds elsewhere. The problem has before been vivid in periods of business depression, but it is now coming to be recognized as a continuing menace in boom and slump alike. The railway problem is as complex and difficult, if not more so, than was the silver, or currency, problem, but business men are much better acquainted with one another and with men in public life than they were ten or even five years ago, and there is a better feeling of confidence and desire to co-operate. With this spirit there is good reason to expect that the American people will adjust this situation as they have adjusted so many others, great and small—but they must act quickly and work fast.

In order to meet the demands of peace—to prepare the railways for the peaceful needs of industry—the most general estimate is that the railways should spend for increased facilities at least \$1,000,000,000 a year for several years to come. In making these preparations due regard should be paid to the part the railways would play in case of war. They should be more than prepared. They should be able to handle an abnormal business with as much smoothness and as little loss of time as prevail under ordinary conditions. Such preparation can only be brought about by a broad-minded policy in railway regulation. If the railways are to fulfill their mission, if they are to be of the greatest service to the people, if

they are to provide for future needs, they must be permitted sufficient earnings to attract new capital.

Capital, Labor and Brains It is trite to say that Capital cannot get along without Labor, and that Labor cannot get along without Capital—and yet Capital and Labor both, at times, forget this all-important fact. Both, also, pay too little attention to the fact that neither of them can get along at all without Brains—brains to plan, brains to supervise, brains to direct, brains to be fair, and brains to see that the great public interest in these large industrial corporations must be constantly considered.

You are quite aware that one of your great difficulties in conducting enterprises, especially large ones, is that of obtaining men of health, courage—moral and physical—untiring industry, good judgment, and brains and experience. The lack of men with ability to direct and supervise is one element of weakness in the effort to accomplish Preparedness in all its forms. Of late years this has been true of the railways. The service has been, and is, so severe that men drift into it rather than select it as a life work, and while there are thousands of splendid men in the service, there are not enough. A national policy of helpfulness to the railways should attract more brains to the business by reducing the really very heavy mental, physical and nervous strain under which nearly all officers of railways are obliged to work under the present conditions of undeveloped facilities and a more or less unreasonable and hostile attitude on the part of law makers and the public.

Capital. Capital has been mobilized in this country and in the main with great benefits to all. It has been constructive, not destructive, because in no other way could it earn a return. It has been bold, and, at times, foolish. It has made its mistakes because it has been directed by human beings who, at times, have failed to give due weight to the public good. As a result, public

opinion was aroused and this irresistible force decreed that organized Capital or Capital in a mass must subject itself to certain regulatory measures. Things that were considered absolutely essential to the conduct of business twenty-five years ago are now frowned upon and even classed as crimes. The rebate and pass days have gone from the railway world. Before men realized the drift of public sentiment they said: "The country cannot say what I shall do with my own property, and if I want to give A a better rate than B, that is something between A and the railway."

Railways and Business, however, have adjusted themselves to the new conditions. Laws affecting railways and business are now being worked out that would have been considered impossible a generation ago, and yet, in the present complicated modern life, some are doubtless necessary. When the unworkable features of some of these laws are eliminated, business will adjust itself and Capital, although perplexed and frightened, will go forward with its work: because the country must perform its functions and it must be as fair to Capital as Capital must be fair to the country.

Labor. A natural sequence to the organization of Capital was the organization of Labor. Capital and the public have been partly at fault for not realizing at times the changing conditions. Lack of brains in some of the men who supervise and direct others has contributed to the dissensions. Labor, at times, has been treated with too little consideration. As a result, Labor organized in order to present in forcible and concrete form its views of the industrial situation and also to record the natural desire of every healthy man to improve the conditions surrounding himself and his family. But just as organized Capital was forced to be controlled and regulated in the interest of the public, so, organized Labor must be controlled and regulated. No one can object to organized Labor unless its acts injure the general welfare of the public. It too must be

constructive and not destructive. When it tries the boycott, in an effort to stop the wheels of progress, to be unfair in its demands, to be unwilling to have those demands considered calmly by unprejudiced people and to abide by the decision, then the mighty will of the people will be aroused and means will be found to retain the good features of organized Labor and eliminate the bad.

The business and the welfare of the country are now confronted with definite evidence of the great, and, at present, unregulated power of organized Labor. About 350,000 men, probably the highest paid men in the railway service, ask that their wage day be 8 hours instead of 10, and for any work over 8 hours that they be paid one and one half times the hourly rate for the 8 hours. It is announced that they have decided to make this demand upon the railways this Spring and if it is not granted a strike will be ordered on all the roads in the United States and Canada and furthermore that they will not consent to any form of arbitration.

The Threatened Strike. The number of men involved is between 300,000 and 350,000; total wages paid this

class of railway employes, 1914, \$389,500,000; total operating revenues of roads affected, 1914, \$3,047,019,908; total expenses \$2,200,313,159; total capital securities, \$20,247,301,257; proportion of railway revenues paid labor 1914, 45.3%; 1907, 41.42%.

The labor leaders propose that "eight hours or less" constitute a day instead of "ten hours or less," with overtime paid for at time and one-half. The railway managers estimate this would increase operating expenses 25% to 40%. They claim:

That because of wage increases between 1910 and 1914, more than \$200,000,000 was added to payrolls for the same number of men.

That the proposed schedule would be in effect an increase of 25% in freight speed basis for wage computing.

That it would mean an increase of 87½% in overtime rate.

That about 1,500,000 other employes would get no benefit.

That employes now get 45.3% of gross earnings.

That employes involved, although numbering only 18% of the railway army, now absorb 28% of the railways' payroll of \$1,500,000,000 a year.

The money necessary to meet the demands of the four brotherhoods could be obtained only by either a reduction of wages of other employes, or by reduced payments of interest and dividends, or by curtailing betterment expenditures needed by the public or by increased passenger and freight rates.

This movement raises a serious social and industrial question and deserves deeper thought and consideration than it is now apparently receiving from the public at large, the law makers and the Government.

It has a very direct bearing upon the ability of the railways to recover from their Malady, and to get ready for the work of the country.

Must not public opinion devise some means that will make impossible even the conception of a plan to paralyze the entire railway system of the United States?

The last census reported that there were at least 175,000 doctors in the country, about half as many men as are involved in the present railway wage discussion. Society needs the services of these doctors just as it needs the services of the railway men. Suppose all the doctors in the country should announce their work day to be eight hours and they must have extra pay for work outside of that limit, and that if the public did not agree all the doctors would stop work. The public would be aroused and indignant and rightly so. And yet the services of doctors for the sick and the poor and for people generally are no more essential to the welfare of society than are the services of the railway men who must each day bring to the sick and the poor and to everyone food and fuel.

To-day Labor says: "I can do with my own as I like, and if I want to stop work, that is my business."

Only a few years ago Capital said the same about various unjust discriminations and unfair practices, and the public stopped it.

Does not a man, when he elects to earn his living by working for a public service corporation, enter into a moral obligation to the public to keep that corporation at work pending a dispute over wages and working conditions until that dispute is settled in an orderly manner? Should that obligation be made not simply a moral one, but a humane, patriotic and even a legal one? That obligation would be no more an interference with human liberty than it is to insist that railways cannot vary rates. A way should be found to adjust such matters, and you and those you represent can be potent in finding the way.

Another thing: This is a country of great distances, and rates, both freight and passenger, should be kept as low as consistent with good wages, good upkeep of the properties, good and constant additions to the properties, and good returns to the Capital in order that new money will constantly be invested in the business. If wages are raised and then rates are raised, and this process constantly continues, a condition will arise which will send the cost of living much higher than ever before; business of the country will be checked, and development stopped, and such an outcome would be as bad, if not worse, for Labor than for Capital.

We Must Work More Hours, Not Less. Another tendency of the times deserves thoughtful consideration, for it has a very important bearing on The Malady of the Railways. This is the tendency so generally discussed, that individuals should do less work per day. Many would like this, but everyone owes to his country a duty, especially at this time, to give the best that is in him, physically and mentally, and thus help to carry the country through its changed conditions. In most kinds of work it is no strain for a healthy man to work 10 hours a day, but there is now a very strong drift to an 8-hour day and even less. The nation is confronted

with more work than ever before; ships to build, factories to enlarge, railways to complete, new foreign business to be attracted, and help to be extended to the unfortunates on the other side. There are about 30,000,000 men at work; if they work 10 hours a day, that is 300,000,000 hours a day, or 93,600,000,000 hours a year. If they work 8 hours, it is 74,880,000,000, or a difference of 18,720,000,000 hours a year. At 8 hours a day this means that about 7,400,000 more men must be employed to do the work that could be done by the 30,000,000; and where are they to come from?

To the extent that is represented by these figures, the new work that Uncle Sam should do in building his navy, improving his railways, expanding his commerce, will be checked. The nation is busy, and loyal citizens should cheerfully work "over time" instead of less time. We must promptly do those things that must be done if we are to occupy the place in the world which world events have forced upon us, and if we are to help our children and their children. This tendency to shortened hours has also a very direct effect on The Malady of the Railways and any cure therefor.

Excessive I believe the majority of the people in the
Legislation and United States think that privately owned
Regulation. railways, honestly and efficiently administered, and subject to intelligent and reasonable regulation by public authority is far better policy for the country than Government Ownership. Because of sins of omission and commission by both owners and regulators, this Malady of the Railways exists, and many remedies have been tried and there is much confusion and discussion because of them. Too many alleged cures have been hastily tried and too many "hobbles" fastened upon the roads. This tendency to extreme lawmaking applies to all forms of business, as well as to the railways. When a man is sick, he gets the best doctor at his command; if he builds a bridge, the best engineer. But in this delicate and difficult matter

of regulating business, the country has not been able always to obtain the most experienced men, and this is said without disparagement to many good men who are in the regulating business.

From 1909 to 1915 the states enacted 60,001 and Congress enacted 2,013 new laws which involved the consideration of more than one-half million legislative propositions, or an annual production of over 12,000 new laws to be assimilated by the business world. The Sixty-Third Congress alone considered 30,053 bills and enacted 700.

The measures enacted by the state and national bodies are estimated to cover 43,500 printed pages and to include over 151,000 titles and sub-titles; and the legislation covered a very wide range. Affecting the railways alone in the years 1912, 1913, 1914 and 1915 there were 16 titles and 60 sub-titles of legislation and 3,016 bills were introduced into the legislatures, of which 442 became laws. In 1913, only two years ago, 1,395 bills were proposed in the state legislatures. In 1915 the agitation subsided somewhat and only 1,093 bills were introduced.

In the mass of legislation passed were laws governing arbitration, train rules, equipment, passenger and freight trains, cars, signals, clearances, crossings, maintenance of tracks, stations, claims, trespassers, the character of reports to be made, beneficial associations, and countless measures affecting the general conduct of the railway business. Some of these laws conflicted with others and nearly all imposed additional burdens upon the railways, added to expenses, and, to a certain extent, reduced the efficiency of the railways to produce the needed transportation.

Unification of Railway Laws During the past year there has been a unified and standardized banking and currency system tried and not found wanting.
—49 Masters. The Federal Reserve System marked perhaps the farthest step in advance towards nationalized

business activity yet undertaken, and its successful operation is ample proof of the soundness of the theory upon which it was built.

But there are yet other steps to be taken before the ideal of economic unity is worked out. Not only is it desirable that the commerce of the country, as represented by your organization, should be united in spirit and purpose, but it is equally necessary that the carriers of that commerce should be operated under a harmonious system of regulation having due regard to their functions as the bearers of interstate trade and the servants of the entire nation.

To-day, the carriers of interstate commerce are the servants of 49 masters, of conflicting powers and desires, and if it be true that no man can successfully serve two masters, how confusing and inefficient must be the mental state of him who must serve the United States and a number of sovereign states.

The result of this conflict between State and Nation has been a great waste of energy and loss of power to serve the public. A very large amount of the time of railway officers must be devoted to the discussion with the numerous regulatory bodies, and this time could be spent with better results in an effort to improve the efficiency of the railways. The regulators have been so anxious to take on new work that they are overburdened, and questions in dispute are not disposed of promptly and satisfactorily. One result of this excessive regulation has been to increase the price to be paid for new capital needed in the business.

It is obvious that as a result of governmental policy and economic conditions combined, the railways of the country have suffered materially, not only to their own loss, but to the vast detriment of the business community.

The deluge of laws and regulations and the divided authority is another cause of the present Malady of the Railways, and the public should consider it and take steps to improve this feature of the situation.

The Public Must Realize. Since 1887 the country has been passing through a period of expansion and exploitation, with periodical setbacks—a period of investigation and correction of some abuses, and to-day, from a variety of causes, the transportation agencies are not adjusted properly to the needs of the country.

The country now should turn from its punitive policy because errors of the past have practically been eliminated and there is ample protection against a recurrence of them in the future, apart from the fact that there is a higher standard of business ethics than ever before.

The country should enter upon a period of constructive work with the owners and managers of the railways.

The Malady of the Railways cannot be cured until:

1. The public thoroughly realize the fact that the railways are no different from any other kind of business in their ability to increase constantly all kinds of expenses and at the same time reduce or not to advance the price of the article they have to sell—transportation, and keep the plant adequate to the needs of the country.

2. The public realize that extreme and conflicting regulation is hurting them.

3. There is reasonable control and regulation of the great organizations of labor that are engaged in the work of various public utilities, including railways, upon which the welfare of society depends.

4. Instead of passing additional laws, an account is taken of those now in existence to be followed by classification, amendment and repeal of some of them.

5. It is realized that the railways are more and more national and less and less state in character and that state control and regulation must be subordinate to national control.

6. The right of the nation is recognized to expect and demand of every man that he give the maximum of physical and mental effort in whatever position he occupies.

7. Men of commerce give more attention to these very important matters and use their influence with law makers and executives in an effort to bring about a more reasonable treatment of all business, including that of the railways.

Will You Help? Men of commerce in their affairs take proper precautions to insure themselves against loss. They insure against fire, accident, theft, dishonesty, death of partners and important executives.

They should devote part of their great ability and energy in an effort to insure themselves against loss of transportation, for without it their business cannot expand. This means the creation of a public sentiment that will bring about such an encouragement to railways that capital will flow freely into them and keep them at all times adequate to the needs of their territories.

Congresses are held to help along the cause of "Good Roads"—"Conservation of Natural Resources"—"Improved Waterways"—"Merchant Marine"—"Irrigation"—"Better Agriculture"—all important subjects. But without "Good Railways"—wagon roads, waterways, natural resources, irrigated lands, agriculture and merchant marine—all would be limited in their ability to serve the people of the United States.

Is it not, therefore, to your interest as representing the great commerce of the United States to call a halt on further burdening the railway systems at this time? To have meetings in the interest of "Good Railways" and to take careful account of their health and strength? To adopt a constructive attitude towards them?

The railways are your servants and you can do more than any other body to help cure their present malady and make them strong. Time is vital, because for the last ten years the additions to the properties, large as they have been, are not large enough and rapid work must be done in the next five years to bring them up to the mark. Rail-

way owners and officers and many employees are working hard to solve this important problem, upon which true prosperity and the real interests of what is called "Labor" so largely depend. They need the immediate and active attention and help of the Business Man.

Will you give it?

I hope and believe you will.